

**STATE OF INDIANA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL AND GAS**

**FINAL ORDER**

Re: Applications of Maverick Energy, Inc. ) Case No.: DOG-1-2012  
For the integration of coal bed methane interests located in the ) Case No.: DOG-2-2012  
Southwest Quarter of the Southwest Quarter, and the Northwest )  
Quarter of the Southwest Quarter of Section 17, Township 7 )  
North, Range 10 West, Sullivan County, Indiana )

Having reviewed the entire record in this matter, and being duly advised, the Director of the Division (Director) makes the following Findings of Fact, Conclusions of Law and Order of Integration:

**FINDINGS OF FACT**

1. Pursuant to the provisions of IC 14-37-9, applicant Maverick Energy, Inc. on March 29, 2012, filed petitions with the Division of Oil and Gas seeking the integration of coal bed methane interests for the following lands:
  - a. Case No. DOG-1-2012, lands located in the SW $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 17, Township 7 North, range 10 West, Sullivan County, IN, owned by Indiana Statewide Rural Electric Cooperative, Inc.
  - b. Case No. DOG-2-2012, lands located in the NW $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 17, Township 7 North, range 10 West, Sullivan County, IN, owned by Indiana Statewide Rural Electric Cooperative, Inc.
2. The petitions represented that Maverick Energy, Inc. was the owner of a substantial portion of the lands identified in their petitions through various leases which grant the right to drill for and produce coalbed methane and associated hydrocarbons on said lands.
3. A Notice of Informal Hearing was sent by the Division of Oil and Gas on April 4, 2012, to Indiana Statewide Rural Electric Cooperative, Inc., notifying them of the filing of the aforementioned petitions and their right to file comments and objections as well as to participate in an informal hearing scheduled to occur on May 10, 2013, at the Indianapolis Office of the Division of Oil and Gas.
4. On April 25, 2012, Indiana Statewide Rural Electric Cooperative, Inc. through its counsel, Terri A. Czajka and Erik C. Johnson, of Ice Miller LLP, filed a request that the informal hearing be stayed pending the outcome of a previously-filed quiet title litigation which was pending at that time before Marion County Superior Court. Among the issues that were the subject of litigation was the validity of Maverick Energy, Inc. claimed interests in certain acreage under the Johnson Farms Lease which comprised a vast majority of the acreage in the relevant  $\frac{1}{4}$ ,  $\frac{1}{4}$  sections at issue in the forced pooling petitions. Further assertions were made in the request for a stay that were the matter of integration move forward before resolution of the matters in litigation, it would be difficult or impossible for the Division of Oil and Gas to establish reasonable or equitable terms based on the ownership interests of either party or to determine whether Hoosier Energy or Maverick would be the most appropriate operator pursuant to IC 14-37-9-3.
5. On May 2, 2012, the Division of Oil and Gas responded to the request for postponement of the informal hearing and notified the parties that the Division believes it would be in the best interest of both parties to postpone the informal hearing for both causes pending the outcome of the litigation before the Marion County Superior Court on the matter of quiet title.
6. A ruling in favor of Hoosier Energy Rural Electrical Cooperative, Inc. was subsequently made by the Marion County Superior Court (Cause No. 49D03-1202-MI-007392). Maverick appealed the trial court's ruling to


the Court of Appeals in Indiana.

7. On April 30, 2014, the Court of Appeals of Indiana published its opinion on the matter of the trial court's ruling and found that there are no genuine issues of material fact and that Hoosier Energy is entitled to judgment as a matter of law. A copy of the Court of Appeals of Indiana ruling may be downloaded at: <http://www.in.gov/judiciary/opinions/pdf/04301405ehf.pdf>.

### **CONCLUSIONS OF LAW AND DENIAL**

1. IC 14-37-9 and any rules promulgated there under apply and are pertinent to the subject matter of the Application filed herein.
2. There has been sufficient compliance with all notice requirements provided by law, and all interested parties have been afforded an opportunity to be heard.
3. The IDNR and the Division have jurisdiction to hear this matter and authority, as delegated by the Natural Resources Commission, to oversee matters involving the integration of interests in accordance with IC 14-37-9-1(b).
4. Maverick Energy, Inc's claim of ownership in a substantial portion of the lands identified in the petitions was not affirmed by the Marion County Superior Court and their subsequent appeal to the Court of Appeals of Indiana. Accordingly, the extent of ownership and control held by Maverick Energy, Inc. represented in the petitions is substantially incorrect.
8. Accordingly, the petitions filed by Maverick Energy, Inc. in these causes are denied.

September 11, 2014  
Dated

  
Herschel L. McDivitt, Director  
Division of Oil and Gas

This order is a final administrative action of the IDNR and, as such, is subject to administrative review under IC 4-21.5-3-7 in a hearing before an Administrative Law Judge. In order to qualify for administrative review, a person may file a request for review in writing stating facts that demonstrate the petitioner is:

- (A) a person to whom the order is specifically directed;
- (B) aggrieved or adversely affected by the order; or
- (C) entitled to review under any law.

In order to be timely, any petition for administrative review must be filed with the Division of Hearings, Natural Resources Commission, Indiana Government Center South, 402 W. Washington St., Rm. W272, Indianapolis, IN 46204 within eighteen (18) days after the receipt of this notice. If no petition for administrative review is filed within the stated time limit, all terms and conditions contained in this Order will become final and binding.

Copies of all other documents filed in this matter may be downloaded from the Division of Oil and Gas website at: <http://www.in.gov/dnr/dnroil/3790.htm>. The documents can be found under the cause summary for "Maverick Energy, Inc.".